

PART I – THE SCHEDULE

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B.1 TYPE OF CONTRACT AND SERVICES BEING ACQUIRED

This is a performance-based cost-plus-award-fee contract with cost and schedule incentives for the West Valley Demonstration Project (WVDP) and includes the facility disposition, stewardship, maintenance and operational activities as currently authorized under the existing regulatory framework at WVDP. The contractor has the responsibility for determining the specific methods and approaches for accomplishing the identified work. This contract applies performance-based contracting approaches and expects the contractor to implement techniques that emphasize safe, efficient, and measurable results.

B.2 COST AND FEE

1. Contract Transition

a. Total Estimated Transition Cost: \$ _____¹

2. Contract Performance

a. Total Contract Target Cost: \$ _____²

b. Total Contract Target Fee: \$ _____³

3. Fee Component 1: Schedule Incentive Fee

a. Total Target Schedule Incentive Fee \$ _____⁴

4. Fee Component 2: Cost Incentive Fee

a. Total Target Cost Incentive Fee \$ _____⁵

5. Fee Component 3: Award Fee

a. Total Target Award Fee \$ _____⁶

¹ To be proposed by Offeror and inserted at time of contract award; no fee is payable for the contract transition period.

² To be proposed by Offeror and inserted at time of contract award.

³ To be proposed by Offeror and inserted at time of contract award; shall not exceed 10% of the Total Contract Target Cost specified in Section B.2.2.a.

⁴ To be proposed by Offeror and inserted at time of contract award; shall equal 50% of the Total Contract Target Fee specified in Section B.2.2.b.

⁵ To be proposed by Offeror and inserted at time of contract award; shall equal 30% of the Total Contract Target Fee specified in Section B.2.2.b.

⁶ To be proposed by Offeror and inserted at time of contract award; shall equal 20% of the Total Contract Target Fee specified in Section B.2.2.b.

6. Fee Determination

- a. **Schedule Incentive Fee:** The amount of Total Schedule Incentive Fee earned will equal the total of the Target Schedule Incentive Fees specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for each milestone, subject to the following adjustments where applicable:

i. **Adjustment 1 – Fee Earned for Milestone 1 Performance:**

The Target Schedule Incentive Fee specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 1 will be increased by \$40,000 for every calendar day the actual completion date of Milestone 1 falls before the Target Completion Date specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 1, or decreased by \$40,000 for every calendar day the actual completion date of Milestone 1 falls after the Target Completion Date specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 1. No adjustment will be made if the actual completion date of Milestone 1 falls on the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 1.

ii. **Adjustment 2 – Fee Earned for Milestone 2 Performance:**

The Target Schedule Incentive Fee specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 2 will be increased by \$40,000 for every calendar day the actual completion date of Milestone 2 falls before the Target Completion Date specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 2 or decreased by \$40,000 for every calendar day the actual completion date of Milestone 2 falls after the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 2. No adjustment will be made if the actual completion date of Milestone 2 falls on the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 2.

iii. **Adjustment 3 – Fee Earned for Milestone 3 Performance:**

The Target Schedule Incentive Fee specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 3 will be increased by \$40,000 for every calendar day the actual completion date of Milestone 3 falls before the Target Completion Date specified in “Table 1 –

Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 3 or decreased by \$40,000 for every calendar day the actual completion date of Milestone 3 falls after the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 3. No adjustment will be made if the actual completion date of Milestone 3 falls on the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 3.

- iv. **Adjustment 4 - Unearned Fee from Milestone 1, 2 and 3 Performance:** If the actual completion date of Milestone 4 occurs on or before the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4, then 50% of the total amount of UNEARNED fee, if any, from Adjustments 1, 2 and 3 above will be added to the Target Schedule Incentive Fee specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4. UNEARNED Fee from Adjustments 1, 2 and 3 is defined as the difference between Earned Fee and Target Fee resulting from Adjustments 1, 2 and 3.
- v. **Adjustment 5 - Fee Earned for Milestone 4 Performance:** The unearned fee from Milestone 1, 2 and 3 performance established by the calculation specified in Adjustment 4, if any, will be added to the Target Schedule Incentive Fee specified in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4. This total will be increased by \$80,000 for every calendar day the actual completion date of Milestone 4 falls before the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4, or decreased by \$80,000 for every calendar day the actual completion date of Milestone 4 falls after the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4. No adjustment will be made if the actual completion date of Milestone 4 falls on the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts”.
- vi. **Adjustment 6 – Additional Fee Reduction for Milestone 4 Performance:** The total earned fee from Milestone 1, 2 and 3 performance calculated in Adjustments 1, 2 and 3 will be reduced by \$40,000 for every calendar day the actual completion date of Milestone 4 falls after the Target Completion Date

established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4. No adjustment will be made if the actual completion date of Milestone 4 falls on or before the Target Completion Date established in “Table 1 – Milestones, Completion Dates and Schedule Incentive Fee Amounts” for Milestone 4.

Table 1 - Milestones, Completion Dates and Schedule Incentive Fee Amounts

	Milestone	Target Schedule Incentive Fee	Target Completion Date
1	Complete High Level Waste (HLW) Canister Relocation at WVDP in accordance with Completion Criteria established in Section B.2.6.e.i	(a)	(b)
2	Process, ship and dispose of all legacy waste off-site in accordance with Completion Criteria established in Section B.2.6.e.ii	(c)	(d)
3	Demolition and Removal of the Main Plant Process Building (MPPB) and the Vitrification (Vit) Facility in accordance with Completion Criteria established in Section B.2.6.e.iii	(e)	(f)
4	Complete all work described in the Performance Work Statement in accordance with Completion Criteria established in Section B.2.6.e.iv	(g)	(h)

- (a) to be proposed by Offeror and inserted at time of award; shall equal 20% of the Total Target Schedule Incentive Fee specified in Section B.2.3.a
- (b) to be proposed by Offeror and inserted at time of award; shall equal the completion date in the Offeror’s proposed schedule for Milestone 1 and the date specified in Section B.2.6.e.i
- (c) to be proposed by Offeror and inserted at time of award; shall equal 20% of the Total Target Schedule Incentive Fee specified in Section B.2.3.a
- (d) to be proposed by Offeror and inserted at time of award; shall equal the completion date in the Offeror’s proposed schedule for Milestone 2 and the date specified in Section B.2.6.e.ii
- (e) to be proposed by Offeror and inserted at time of award; shall equal 20% of the Total Target Schedule Incentive Fee specified in Section B.2.3.a
- (f) to be proposed by Offeror and inserted at time of award; shall equal the completion date in the Offeror’s proposed schedule for Milestone 3 and the date specified in Section B.2.6.e.iii
- (g) to be proposed by Offeror and inserted at time of award; shall equal 40% of the Total Target Schedule Incentive Fee specified in Section B.2.3.a
- (h) to be proposed by Offeror and inserted at time of award; shall equal the completion date

in the Offeror's proposed schedule for Milestone 4 and the date specified in Section B.2.6.e.iv

- b. **Cost Incentive Fee:** The amount of Total Cost Incentive Fee earned will equal the Target Cost Incentive Fee specified in Section B.2.4.a, subject to the following adjustments where applicable:
 - i. **Adjustment 1 – Cost Performance between 90% and 110% of Target Cost:** For total actual allowable costs between 90% and 110% of the Total Contract Target Cost established in Section B.2.2.a, the Total Cost Incentive Fee will be adjusted upward for cost savings or adjusted downward for cost overruns using a share ratio of 80%/20% (Government/Contractor).
 - ii. **Adjustment 2 – Cost Performance above 110% above Target Cost:** 50% of the UNEARNED Schedule Incentive Fee resulting from the Schedule Incentive Fee Determination specified in Section B.2.6.a will be added to 110% of the Total Contract Target Cost established in Section B.2.2.a. For total actual allowable costs between this amount and 110% of the Total Contract Target Cost established in Section B.2.2.a, the Total Cost Incentive Fee will be adjusted downward for cost overruns using a share ratio of 50%/50% (Government/Contractor). UNEARNED Schedule Incentive Fee resulting from the Schedule Incentive Fee Determination specified in Section B.2.6.a is defined as the difference between the Total Target Schedule Incentive Fee specified in Section B.2.3.a and the Total Schedule Incentive Fee Earned for the performance of all four Milestones resulting from the Schedule Incentive Fee Determination specified in Section B.2.6.a
 - iii. **Adjustment 3 – Additional Fee Reduction for Cost Performance:** For total actual allowable costs greater than the sum of 50% of the UNEARNED Schedule Incentive Fee resulting from the Schedule Incentive Fee Determination specified in Section B.2.6.a and 110% of the Total Contract Target Cost established in Section B.2.2.a, the Total Cost Incentive Fee will be adjusted downward for cost overruns using a share ratio of 0%/100% (Government/Contractor).
- c. **Award Fee:** The amount of award fee earned will be determined in accordance with the following:
 - i. The contractor shall not earn any fee for contract transition.
 - ii. The total available award fee for the contract period can be

earned through objective and/or subjective fee components consisting of award fee criteria. These components and available award fee will be provided in the Award Fee Plan.

- iii. The CO will prepare and issue the Award Fee Plan prior to the start of each fiscal year. The CO may provide draft award fee criteria for contractor review and input; however, the CO reserves unilateral discretion to issue and modify the Award Fee Plan without contractor review.
- iv. The award fee plan may be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the Contractor 30 calendar days prior to the start of the evaluation period to which the change will apply.
- v. The amount of earned total award fee shall be unilaterally determined by the Fee Determining Official (FDO) semi-annually. This determination shall be based upon the FDO's evaluation of the contractor's performance, as measured against the Award Fee Plan. Upon the FDO's final determination of the earned award fee for each evaluation period, the contractor may invoice the fee amount.
- vi. Any unearned award fee from each evaluation period will not be eligible to be earned in any future period(s).

d. **Fee Limitations:** Fee limitations are set forth as follows:

- i. The Total Contract Maximum Fee shall equal 12% of the Total Contract Target Cost specified in Section B.2.2.a.
- ii. The Total Contract Target Fee shall not exceed 10% of the Total Contract Target Cost.
- iii. The Total Target Schedule Incentive Fee shall equal 50% of the Total Contract Target Fee. The Minimum Schedule Incentive Fee is 0% of the Total Contract Target Cost.
- iv. The Total Target Cost Incentive Fee shall equal 30% of the Total Contract Target Fee. The Minimum Cost Incentive Fee is 0% of the Total Contract Target Cost.
- v. The Total Target Award Fee shall equal 20% of the Total Contract Target Fee. The Minimum Award Fee is 0% of the Total Contract Target Cost.

- e. **Completion Criteria:** The incentive fee determinations will be based on the milestone completion dates and the total actual allowable costs to complete all the work specified in the contract. Final acceptance will be governed by Section E and by the completion criteria specified below for each Milestone:

i. **Milestone 1**

- (1) **Title:** Complete High Level Waste (HLW) Canister Relocation at WVDP
- (2) **Description:** The Contractor shall be responsible for all planning, coordination, certification, regulatory approval, management and labor necessary to complete all activities required to relocate the HLW in accordance with the Performance Work Statement.

The Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work required to meet this milestone, as well as identification and resolution of impediments and obstacles to successful completion of the milestone.

- (3) **Completion:** The Contractor shall have completed the following activities. Completion of these activities will achieve the HLW Canister Relocation.
- (a) Complete modifications, as necessary, to the HLW Interim Storage Facility (the former Chemical Process Cell in the MPPB), the Equipment Decontamination Room, and the Load-In/Load-Out Facility to support removal and packaging of the HLW;
 - (b) Complete construction of the Cask Storage Pad;
 - (c) Complete construction of the HLW Storage System;
 - (d) Obtain necessary licenses and/or certifications for the storage system;
 - (e) Obtain NRC Certificate of Compliance for shipping of HLW;
 - (f) Obtain approval for all necessary changes to the Waste Form Compliance Plan (WCP);
 - (g) Complete upgrades, as necessary, to site roadways and facilities;
 - (h) Complete all required readiness reviews/evaluations; and

- (i) Complete the relocation of 275 Vitrified High Level Waste (HLW) Canisters, two evacuated canisters, spent nuclear fuel debris from the HLW Interim Storage Facility, and other HLW forms as may be applicable, to a new HLW Canister Interim Storage System
- (j) The Contractor shall disposition all waste resulting from work required to complete this milestone that has a path for disposal, and characterize and package all waste without a pathway for disposal.
- (k) All physical activities shall be completed by **[completion date to be proposed by Offerer and inserted at time of contract award]**.
- (l) Property records identifying and tracking appropriate handling and disposition of property affected during completion of this milestone are considered sufficient evidence that property was handled appropriately.

(4) Completion Documents List:

- (a) Costs, manpower, resources, and schedules used to complete this milestone;
- (b) Activities conducted to complete this milestone;
- (c) As-built and revised facility/site drawings and documentation of utility re-routing and isolations or operability;
- (d) Lessons learned and issue resolution;
- (e) HLW volumes removed, processed, repackaged and stored;
- (f) Container and configuration data records documentation;
- (g) Radiological/Characterization Surveys (pre and post) of the HLW Container Interim Storage System location; and
- (h) Certificate of Compliance to ship HLW canisters

(5) Technical Boundary Conditions: The work will be performed in conformance with approved procedures governing waste packaging, characterization, storage and/or shipping and disposal.

(6) Assumptions: The work associated with the activity shall be completed in accordance with contract terms and conditions, full compliance with ISMS and ES&H requirements. The Site Wide Characterization Contractor will survey soils below and in the vicinity of the HLW Container Interim Storage Facility prior to construction.

ii. Milestone 2

- (1) **Title:** Process, ship and dispose of all Legacy Waste off site
- (2) **Description:** The Contractor shall be responsible for all planning, coordination, management and labor necessary to ship all Legacy Waste for final off site disposal at a DOE approved facility in accordance with the Performance Work Statement. Contractor shall provide a schedule and detail of any additional waste retrieval facility modification activities for accomplishing work required to complete this milestone. The schedule shall be provided to DOE at least 5 days prior to the first scheduled activity in the plan. Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work to complete this milestone, as well as identification and resolution of impediments and obstacles to successful completion of the milestone.
- (3) **Completion:** Contractor will dispose of the Legacy Waste at an approved off-site licensed disposal facility. All waste without a pathway for disposal shall be safely and cost effectively stored on-site for the duration of the contract. All physical activities shall be completed prior to the end of the contract period. [Note: Evidence of waste shipment is NOT evidence of completion - only evidence that the waste has been accepted at an appropriate receiver site is proof of completion.] For waste where liability is attached until final disposal is complete, the only acceptable proof of completion is actual disposal records. All activities shall be completed no later than **[completion date to be proposed by Offerer and inserted at time of contract award]**.
- (4) **Completion Documents List:** On a monthly basis, the Contractor shall transmit a report to DOE that identifies the number of waste inventory removed from the facility (production rate), waste inventory remaining in the facility, type of waste, amount of waste prepared for shipping, the number (and volume) of packages shipped off site for disposal, issues encountered, and lessons learned regarding this activity. The monthly report will be transmitted as part of routine operations. A final report will be provided after documentation is received confirming final off site disposal of all of waste documenting the final data roll-up from the monthly reports, and the cost, schedule, manpower and resources used to complete this activity. Documentation of the waste volumes removed, container data records,

disposal facility receipt documentation, and evidence of disposal are acceptable documentation of completion of work required to complete this milestone.

- (5) **Technical Boundary Conditions:** The work will be performed in conformance with approved procedures governing waste packaging, characterization, storage and/or shipping and disposal.
- (6) **Assumptions:** The work associated with the activity shall be completed in accordance with contract terms and conditions, full compliance with ISMS and ES&H requirements.

iii. **Milestone 3**

- (1) **Title:** Demolition and Removal of the Main Plan Process Building (MPPB) and the Vitrification (Vit) Facility
- (2) **Description:** The Contractor shall demolish the MPPB and the Vit Facility, and complete waste management activities for all waste streams in accordance with the Performance Work Statement (PWS).

The Contractor shall be responsible for all planning, coordination, management and labor necessary to demolish the MPPB and Vit Facilities and obtain regulatory and DOE approval of the demolition plan(s) as needed. All waste management activities shall be completed in accordance the PWS. The Contractor shall provide a schedule and detail of activities for accomplishing work required to complete this milestone.

Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work for this milestone activity, as well as identification and resolution of impediments and obstacles to successful completion of the milestone.

- (3) **Completion:** For the MPPB and Vit Facility demolition, the incentive is considered complete when all of the following conditions have been met:
 - (a) Structures, equipment, debris, and waste has been removed;
 - (b) Piping and conduit into and out of the remaining

foundation below the nominal 100 +/- 3-ft reference elevation has been isolated;

- (c) All waste resulting from work under this incentive that has a path for disposal has been properly disposed of off site at a DOE approved facility;
- (d) All waste without a pathway for disposal for storage has been properly characterized and packaged and stored in existing on-site storage facilities;
- (e) All approvals for permits required for demolition have been received and provided to DOE;
- (f) All characterization data has been validated and provided for review;
- (g) Storm water and ground water are prevented from entering or exiting the remaining structure; and
- (h) A final report is provided and accepted by DOE containing at a minimum the completion documents list

All activities shall be completed by **[completion date to be proposed by Offerer and inserted at time of contract award]**.

Note: Evidence of waste shipment is NOT evidence of completion - only evidence that the waste has been accepted at the receiver site is proof of completion. For waste where liability is attached until final disposal is complete, the only acceptable proof of completion is actual disposal records.

- (4) **Completion Documents List:** The Contractor shall provide a final report to DOE documenting the following information (if applicable to this incentive):
 - (a) Costs, manpower, resources, and schedules used to complete the Milestone;
 - (b) Activities conducted to complete the Milestone;
 - (c) Revised facility/site drawings and documentation of utility re-routing and isolations or operability;
 - (d) Lessons learned and issue resolution;
 - (e) Waste volumes removed, processed, repackaged, stored, shipped, and disposed;
 - (f) Container data records and disposal facility receipt documentation;
 - (g) Radiological Characterization Surveys of the remaining structures after Contract demolition activities are complete; and
 - (h) Copies of approved permits.

- (5) **Technical Boundary Conditions:** All work will be performed in conformance with procedures governing demolition and waste packaging, characterization, storage and/or shipping and disposal; as well as any other applicable procedures and contract requirements.
- (6) **Assumptions:** The work associated with the activity shall be completed in accordance with contract terms and conditions, full compliance with ISMS and ES&H requirements.

iv. **Milestone 4**

- (1) **Title:** Completion of Performance Work Statement
- (2) **Description:** Contractor shall complete all activities as described in the Performance Work Statement. In addition to Milestones 1, 2, and 3 above, the Contractor shall decontaminate, characterize and RCRA clean close the Remote Handled Waste Facility, deactivate, decontaminate, and disposition the BOSF; take necessary actions to stabilize Lagoon 3; characterize the content of Tank 8D-4; and characterize, process, package, ship and dispose of all Contractor-generated waste in accordance with the Performance Work Statement. The Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work to complete this milestone, as well as identification and resolution of impediments and obstacles to successful completion of the milestone.
- (3) **Completion:** The Milestone is considered complete when all contract requirements associated with Performance Work Statement have been met. All activities, associated with performance under this Milestone, including waste disposal must be met. The Contractor will dispose of all Contractor-generated waste at an approved, off-site, permitted disposal facility. All physical activities shall be completed prior to the end of the contract period. [Note: Evidence of waste shipment is NOT evidence of completion - only evidence that the waste has been accepted at an appropriate receiver site is proof of completion.] For waste where liability is attached until final disposal is complete, the only acceptable proof of completion is actual disposal records. All activities shall be completed no later than **[completion date to be proposed]**

by Offerer and inserted at time of contract award].

- (4) **Completion Documents List:** On a monthly basis, the Contractor shall transmit a report to DOE that identifies the number of BOSF structures removed from the facility, BOSF inventory remaining onsite, amount and type of waste prepared for shipping, the amount (and volume) of packages shipped off site for disposal, issues encountered, and lessons learned regarding this activity. The monthly report will be transmitted as part of routine operations. A final report will be provided after documentation is received confirming final off site disposal of all of waste documenting the final data roll-up from the monthly reports, and the cost, schedule, manpower and resources used to complete this activity. A final report will be provided to DOE within 15 days of the Contractor's declaration that all field work associated with this Milestone has been completed. The report will detail all of the work accomplished by the Contractor in completion of work under and associated with this Milestone. At a minimum, the report will contain and address:

- a) Revised facility/site drawings and documentation of utility re-routing and isolations or operability;
- b) Waste volumes removed, processed, repackaged, stored, and shipped;
- c) Container data records and disposal facility receipt documentation;
- d) Environmental Monitoring Reports (e.g. air monitoring) resulting from environmental compliance monitoring; and
- d) Radiological Surveys (post demolition contamination and dose rate) for the facility footprints including exposed building slabs and foundations.

In addition, the Contractor shall provide certification from the New York State Department of Environmental Conservation that the RHWF has been RCRA clean closed; the Contractor shall provide a report evaluating of the stability of Lagoon 3 and the Contractor shall provide a characterization report of Tank 8D-4.

- (5) **Technical Boundary Conditions:** The work will be performed in conformance with approved procedures governing building demolition, waste packaging, characterization, storage and/or shipping and disposal.
- (6) **Assumptions:** The work associated with the activity shall be completed in accordance with contract terms and conditions,

full compliance with ISMS and ES&HQ requirement.

EXAMPLE SCHEDULE INCENTIVE FEE CALCULATION

The following example is for illustrative purposes only:

Assumptions

Total Contract Target Cost:	\$ 400,000,000
Total Contract Maximum Fee (12%):	\$ 48,000,000
Total Contract Target Fee (8%):	\$ 32,000,000
Total Target Schedule Incentive Fee:	\$ 16,000,000
Total Target Cost Incentive Fee:	\$ 9,600,000
Total Target Award Fee:	\$ 6,400,000
Total Actual Allowable Costs:	\$ 465,000,000
Total Award Fee Earned:	\$ 6,000,000

	Milestone	Target Schedule Incentive Fee	Target Completion Date	Actual Completion Date
1	Complete High Level Waste (HLW) Canister Relocation at WVDP in accordance with Completion Criteria established in Section B.2.6.e.i	\$3,200,000	June 30, 2013	July 10, 2013
2	Process, ship and dispose of all legacy waste off-site in accordance with Completion Criteria established in Section B.2.6.e.ii	\$3,200,000	June 30, 2015	July 21, 2015
3	Demolition and Removal of the Main Plant Process Building (MPPB) and the Vitrification (Vit) Facility in accordance with Completion Criteria established in Section B.2.6.e.iii	\$3,200,000	June 30, 2018	August 2, 2018
4	Complete all work described in the Performance Work Statement in accordance with Completion Criteria established in Section B.2.6.e.iv	\$6,400,000	June 30, 2018	June 20, 2018

Calculations

Schedule Incentive Fee Earned

Adjustment 1 - Fee Earned for Milestone 1 Performance:
 $\$3,200,000 - (\$40,000 \times 10 \text{ days}) = \$2,800,000$

Adjustment 2 - Fee Earned for Milestone 2 Performance:
 $\$3,200,000 - (\$40,000 \times 21 \text{ days}) = \$2,360,000$

Adjustment 3 - Fee Earned for Milestone 3 Performance:
 $\$3,200,000 - (\$40,000 \times 33 \text{ days}) = \$1,880,000$

Adjustment 4 – Unearned Fee from Milestone 1, 2 and 3:
 $50\% \times (\$400,000 + \$840,000 + \$1,320,000) = \$1,280,000$

Adjustment 5 – Fee Earned for Milestone 4 Performance:
 $(\$1,280,000 + \$6,400,000) + (\$80,000 \times 10) = \$8,480,000$

Adjustment 6 – Additional Fee Reductions for Milestone 4 Performance:
 None

Total Schedule Incentive Fee Earned: $\$2,800,000 + \$2,360,000 + \$1,880,000 + \$8,480,000 = \$15,520,000$

EXAMPLE COST INCENTIVE FEE CALCULATION

Cost Incentive Fee Earned

Adjustment 1 - Cost Performance between 90% and 110% of Target Cost:
 $(\$440,000,000 - \$400,000,000) \times 20\% = \$8,000,000$ downward adjustment

Adjustment 2 - Cost Performance above 110% of Target Cost:
Step 1: $\$16,000,000 - \$15,520,000 = \$480,000$ (UNEARNED Schedule Incentive Fee)
Step 2: $(\$480,000 \times 50\%) + (110\% \times 400,000,000) = \$440,240,000$
Step 3: $50\% \times (\$440,240,000 - (110\% \times 400,000,000)) = \$120,000$ downward adjustment

Adjustment 3 - Additional Fee Reduction for Cost Performance:
 $\$465,000,000 - \$440,240,000 = \$24,760,000$.

Total Cost Incentive Fee Earned: $\$9,600,000 - \$8,000,000 - \$120,000 - \$24,760,000 = \$(23,280,000)$; however the minimum cost incentive fee limitation is zero, therefore the cost incentive fee earned is zero.

Award Fee Earned

Total Award Fee Earned: $\$6,000,000$ (from assumptions above)

Total Contract Fee Earned

$\$15,520,000 + \$0 + \$6,000,000 = \$21,520,000$

7. Provisional Fee Payment

- a. Payments of provisional schedule incentive fee and cost incentive fee will be made once per quarter during the contract performance period.
- b. A provisional schedule and cost incentive fee payment schedule will be unilaterally established by the Contracting Officer and based on the successful completion of interim milestones contained in the Contractor's approved "Project Baseline Documents" as specified in Attachment J-3 of the contract. The payment schedule will be established no later than 30 days after the approval of the Contractor's approved "Project Baseline Documents" as specified in Attachment J-3 of the contract.
- c. Each payment shall be limited to the following:

(The sum of the Total Target Schedule Incentive Fee specified in Section B.2.3.a and Total Target Cost Incentive Fee specified in Section B.2.4.a) divided by the total number of quarters in the contract performance period.
- d. Partial quarters will be prorated.
- e. Provisional payment of award fee is described in Section B.2.c.v of the contract.

8. Final Fee Determination

- a. The final fee determination will be calculated by the Contracting Officer when the Contractor has completed all activities included in the Performance Work Statement and in accordance with Section B.2. The final fee payment will be the difference between the final fee determination minus the sum of quarterly provisional fee payments and award fee payments made during the period of the contract.
- b. If the sum of quarterly provisional fee payments and award fee payments made during the period of the contract is greater than the overall fee that is calculated by the Contracting Officer in his/her final fee determination, the Contractor shall reimburse the amount of fee already paid that is greater than that earned and shall pay interest to DOE in accordance with the prevailing Treasury rate(s) in effect at the time the payments were made.

B.3 OBLIGATION OF FUNDS

Pursuant to the clause in Section I, FAR 52.232-22, Limitation of Funds, total funds in the amount of \$ TBD have been allotted for obligation and are available for payment of services provided from the effective date of this contract through TBD.

B.4 ALLOWABILITY OF SUBCONTRACTOR FEE

- (a) If a company is part of a teaming arrangement as described in FAR Subpart 9.6, Contractor Team Arrangements, it shall share the total available fee of the contract with the other companies of the team in accordance with the teaming arrangement agreement. The FAR 31.205-26(e) restrictions on profit/fee regarding sales or transfers between any divisions, subdivisions, subsidiaries, or affiliates of the "contractor" shall apply to both the Contractor Team Arrangement and to the individual companies of the Contractor Team Arrangement. Additionally, separate, additional fee is not an allowable cost under this contract for subcontractors, suppliers, or lower-tier subcontractors that are wholly-owned by any team member, majority-owned by any team member, or affiliates of any team member.
- (b) The fee restriction in paragraph (a) does not apply to members of the contractor's team that are: (1) small business(es); (2) protégé firms as part of an approved Mentor-Protégé relationship under the Section H Clause, Mentor-Protégé Program; or (3) subcontractors under a competitively awarded firm-fixed-price or firm-fixed-unit-price subcontract.

For the purposes of this clause, the term company shall include universities and non-profit organizations.

B.5 DOE AUTHORIZATION OF WORK

The CO will authorize work as follows:

- (a) The contractor is authorized to conduct work in accordance with the approved baseline, subject to the limitations of the Section B clause, Obligation of Funds.
- (b) The contractor's initial Project Baseline Summary (PBS) Budget Allocation Plan shall detail the work activities to be performed. Until DOE approves the contractor's baseline, the PBS Budget Allocation Plan will be used to authorize work.
- (c) After the baseline has been approved by DOE, the contractor shall work to the baseline. The contractor shall develop and maintain the baseline in accordance with Clause H.18, Project Control Systems and Reporting Requirements. When required, the CO may make changes within the general scope of the contract in accordance with the Changes clause. The CO has review and concurrence authority during the baseline change management process. As additional activities and facilities are deemed available, the baseline change management process will be utilized for work authorization and could result in contract modifications to adjust scope and schedule.

B.6 ADVANCED UNDERSTANDING - CHANGES TO CONTRACT COST AND CONTRACT FEE

The contractor is responsible for total performance under this contract, including selecting the specific approaches and methods to perform all work. For all contract work within the control of the contractor, the consequences of any adverse contractor work performance; consequences of any regulatory actions in response to adverse contractor work performance; and/or inability to accomplish the contractor's proposed technical approach shall not be a basis for an upward adjustment to the fee(s) of the contract.

The contractor is entitled to a change in contract cost, but not fee, for contributions to any defined benefit pension plan or medical plan.

B.7 AUTHORIZATION OF TRANSITION COSTS UNDER THE CONTRACT

- (a) Contract transition is a 60-day period of time prior to the date the Contractor assumes full responsibility. During the transition period, the Contractor shall perform those activities necessary to be prepared to assume full responsibility for the contract requirements. During the transition period, the Contractor shall bring to the site its management team and other staff necessary to plan and conduct those activities that provide for an orderly transfer of responsibilities and accountability. The Contractor shall coordinate its activities with DOE and the incumbent Contractor so as to accomplish these activities in a manner that will

provide an effective transition of personnel and work activities while minimizing the cost of this effort.

- (b) The Contractor shall put into place any agreements it deems necessary between it and other site contractors/subcontractors for provision of services. Any agreement that requires DOE consent will be subject to a 30-day review and approval period.
- (c) All transition costs shall be included in the total estimated cost of this contract.

B.8 TRANSITION ACTIVITIES

- (a) During the transition period, as specified in the clause in Section F entitled "Period of Performance," the Contractor shall perform those activities that are necessary to transition work from the incumbent contractor in a manner that (1) assures that all work for which the Contractor is responsible under the contract is continued without disruption; (2) provides for an orderly transfer of resources, responsibilities, and accountability from the incumbent contractor; and (3) provides for the ability of the Contractor to perform the work in an efficient, effective, and safe manner. The Contractor is responsible for providing all necessary personnel during the transition period, unless specifically directed otherwise by the Contracting Officer. The Government will provide logistical support (office space, computers, telephone, etc.) to the Contractor during the transition period. The office space provided will be at the Ashford Office Complex located at 9030 US Route 219, West Valley, NY 14171.
- (b) The Contractor shall submit a transition plan and budget to the Contracting Officer for approval on the contract award date. The plan shall include a schedule of major activities, and address as a minimum:
 - Communication process among DOE, the incumbent WVDP Contractor, assigned subcontractors, incumbent employees, and other WVDP contractors;
 - Identification of key transition issues and milestones;
 - Identification of a transition team (inclusive of consultants and teaming members, if any);
 - Integration of work packages (direct and indirect) and budgets from incumbent contractors;
 - Approach to minimizing impacts on continuity of operations;
 - Dispute Resolution;
 - Human resource management;
 - Implementation of existing or proposed management and operating systems (e.g., Project Management, Integrated Safety Management Operating Procedures, General Electronic Data Processing, Budget and

Planning, Purchasing Material, Compensation, Labor/Payroll, Indirect and Direct Costs, Property Management, Billing and Estimating);

- A cost breakdown sufficient to support the proposed transition budget;
- Development of all interface control documents;
- Assumption of permits, applications, licenses, and other regulatory documents

- (c) During the transition period, the Contractor shall prepare and submit a Statement of Material Differences documenting the material differences between the actual and documented conditions of the systems, facilities, waste sites, property and services.
- (d) After completion of the transition activities contained in the approved transition plan and such other transition activities as may be authorized or directed by the Contracting Officer, the Contractor shall notify the Contracting Officer in writing that it is ready to assume full responsibility for the work. The Contractor shall assume full responsibility for the work upon the date specified in writing by the Contracting Officer.